Review of disinvestment policy

*236. SHRI K. RAHMAN KHAN: Will the Minister of DISINVESTMENT be pleased to state:

(a) whether Government propose to review its policy towards disinvestment of PSUs, globalization and privatization in view of the fact that these measures have proved to be anti labour and failed to generate new avenues;

(b) if so, the details thereof; and

(c) the justification for disinvestments of profit earning PSUs?

THE MINISTER OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) and (b) No, Sir. Protection of employees' interest is an integral part of the disinvestment policy. Adequate provisions are made in the Transactions Agreements, executed as a part of strategic sale, to ensure that there is no retrenchment of employees for one year after disinvestment and even thereafter separation is possible only under the Voluntary Retirement Scheme as applicable under DPE guidelines or the Voluntary Retirement Scheme which was prevailing in the company prior to disinvestment whichever is more beneficial for the employees. It is interesting to note that while much is made of the likely adverse impact of disinvestment on employment, public sector undertakings have seen a net reduction in employment from a level of 2.179 million employees in 1991-92 to a level of 1.806 million in 1999-2000, as reported by DPE Survey 2000-01. In contrast, the loss of direct employment in disinvested PSUs has been marginal while in one case net employment has increased. In several cases, the new management has finalized pending wage agreements and wages and allowances have increased substantially. Disinvestment is expected to facilitate the productive use of assets and thus contribute to growth and employment. There is anecdotal evidence that efficiency enhancement has been achieved by disinvested PSUs, which is beneficial for the economy and for employment.

(c) Profitability is not synonymous with efficiency. Often PSUs are profitable more on account of administered pricing or monopoly status, rather than the efficiency of the operations. There have been many cases where profitable PSUs have become loss making after liberalisation and increased competition. The sale of loss making PSUs alone will not generate the resources required by the Government for modernization

and upgradation of PSUs, creation of new assets, generations of employment and retiring of public debt. Further, the disinvestment of profitable non-strategic PSUs would insulate government finances from the commercial and business risk associated with owning a company and separate the regulatory functions of government from the production and supply of services and products.

Antyodaya Anna Yojana

*237. SHRIMATI SHABANA AZMI:
DR. T. SUBBARAMI REDDY:

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether a massive expansion of the Antyodaya Anna Yojana, which was launched by the Prime Minister two years ago, is being considered by Government;

(b) if so, the existing population under below poverty line category;

(c) whether the scheme has so far been fully implemented to help the families living below poverty; and

(d) if so, the details of expansion programmes being considered in this regard?

THE MINISTER OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI SHARAD YADAV): (a) Yes, Sir.

(b) As per the latest poverty estimates of the Planning Commission (1999-2000), the poverty ratio at the national level is 26.10%.

(c) and (d) The Antyodaya Anna Yojana (AAY) has been under implementation in all the States/UTs to address the requirements of the poorest of the poor. Under the Yojana, 98.69 lakh families have been identified by the State Governments/UTs. The allocation of foodgrains is being made at the scale of 35Kg. of foodgrains per family per month at subsidised prices of Rs. 2 per Kg. for wheat and Rs. 3 per Kg. for rice. The proposed expansion of the AAY has been indicated in the Finance Minister's Budget Speech, 2003-04.